

Offshore Compliance Status Response

Compliance Options

Note: The last page of this letter is a coversheet you are required to attach to your response to Letter #####. Attach a copy of the coversheet to all correspondence. Make a copy of the completed coversheet for your records before mailing it to the IRS. A return envelope has been provided for your convenience.

If you do not use one of the three options below, the IRS may initiate an audit to determine your compliance with U.S. reporting requirements relating to foreign income, foreign entities, or foreign financial accounts.

Option #1

You may make a submission under the Streamlined Filing Compliance Procedures (Streamlined Procedures) if you meet the eligibility requirements. See the "Streamlined Filing Compliance Procedures" enclosure and visit IRS.gov (search term: "Streamlined") for further details and instructions regarding this option.

If you use the Streamlined Procedures in response to Letter XXXX, you must write "RESPONSE TO LETTER XXXX" in red across the top of your Form 14653 or Form 14654.

Option #2

If you are not eligible to use the Streamlined Procedures or choose not to use the Streamlined Procedures, submit all required tax returns, information returns, and related filings to the address on the correspondence coversheet that follows. Submissions under this option will be subject to all applicable penalties unless you establish that your noncompliance was due to reasonable cause. If you wish to present reasonable cause, provide a statement of all facts establishing reasonable cause for the failure to file.

Returns submitted under this option will not be subject to IRS audit automatically, but they may be selected for audit under the existing audit selection processes applicable to any U. S. tax return and may also be subject to verification procedures in that the accuracy and completeness of submissions may be checked against information received from banks, financial advisors, and other sources.

FinCEN Form 114, Report of Foreign Bank and Financial Accounts (a.k.a. FBAR), must be filed electronically with FinCEN.

Option #3

If you believe that you are fully compliant with all U.S. reporting requirements relating to foreign income, foreign entities, and foreign financial accounts, then provide a narrative statement of facts explaining your position. Your narrative statement of facts must provide a complete history of any previously unreported foreign income, foreign entities, and foreign financial accounts. Provide the whole story and explain any actions you took to become compliant with U.S. reporting requirements relating to foreign income, foreign entities, or foreign financial accounts.

Letter XXXX – Correspondence Coversheet

Taxpayer Name

Last 4 digits of Social Security Number

Taxpayer Instructions

1. Check the option you are using:

Option #1

Attach this coversheet to your Streamlined Procedures Submission, write "RESPONSE TO LETTER XXXX" in red across the top of your Form 14653 or Form 14654 and mail to the address provided below.

Option #2

List the tax forms and tax years you are submitting, attach this coversheet to your submission package and mail to the address provided below.

Returns filed:

- Form 1040 Years: _____
- Form 1040X Years: _____
- FBAR (electronically filed) Years: _____
- Other Form(s) Years: _____

Option #3

Prepare a narrative statement of facts. Include your name and the last four digits of your SSN on your narrative statement of facts. Sign and date the narrative statement of facts. Attach this coversheet to your narrative statement of facts and mail to the address provided below.

Extension request

Prepare a statement explaining the reasons for requesting additional time to respond, attach this coversheet to your request and mail to the address provided below.

2. Provide your daytime telephone number:

Note: Attach a copy of the coversheet to all correspondence. Make a copy of the completed coversheet for your records before mailing it the IRS.

Mail all correspondence relating to Letter XXXX to the IRS at:

Internal Revenue Service
3651 S. IH 35Stop 4301 AUSC
Austin, TX 78741

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